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# **USAID Macroeconomic Project**

**Contract Number AID-176-TO-11-00003**

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## **Annual Report** **October 2012 – September 2013**

USAID MEP is implemented  
by Deloitte Consulting, LLP.

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## I. Project Overview

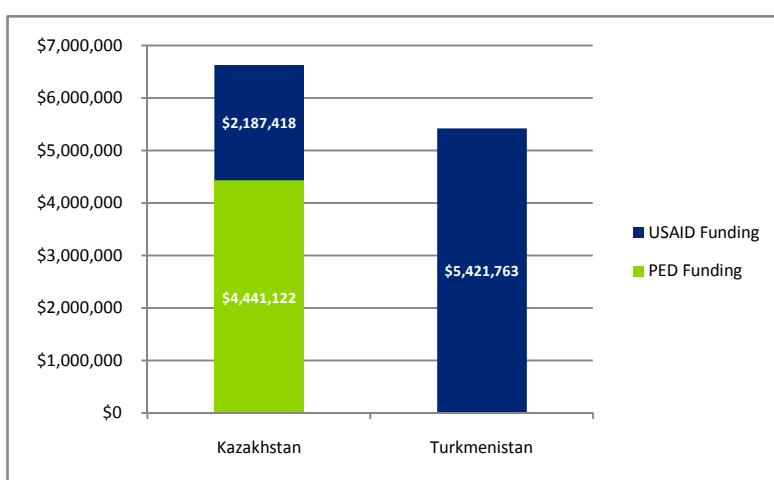
Implemented by Deloitte Consulting, LLP, the USAID Macroeconomic Project (MEP) assists beneficiaries in both Kazakhstan and Turkmenistan to diversify their economies and promote more inclusive and broad-based growth through macroeconomic stability, enhanced competitiveness, expanded private sector participation and increased trade. Support is tailored to the specific needs of the host country, but core assistance areas include Public Financial Management & Economic Policy, Regulation and Business Enabling Environment, and Trade Policy. The performance period is October 01, 2011 through December 31, 2013 in Kazakhstan and September 30, 2016 in Turkmenistan.

On May 01, 2013, the funding ceiling for the project was increased from \$7,129,746 to \$12,050,303, with 55% of the total project budget (\$6,628,540) dedicated to implement 27 months of technical assistance in Kazakhstan and 45% (\$5,421,763) for the implementation of a 5-year program in Turkmenistan. Nevertheless, approximately 67% of the total funding for Kazakhstan is provided by

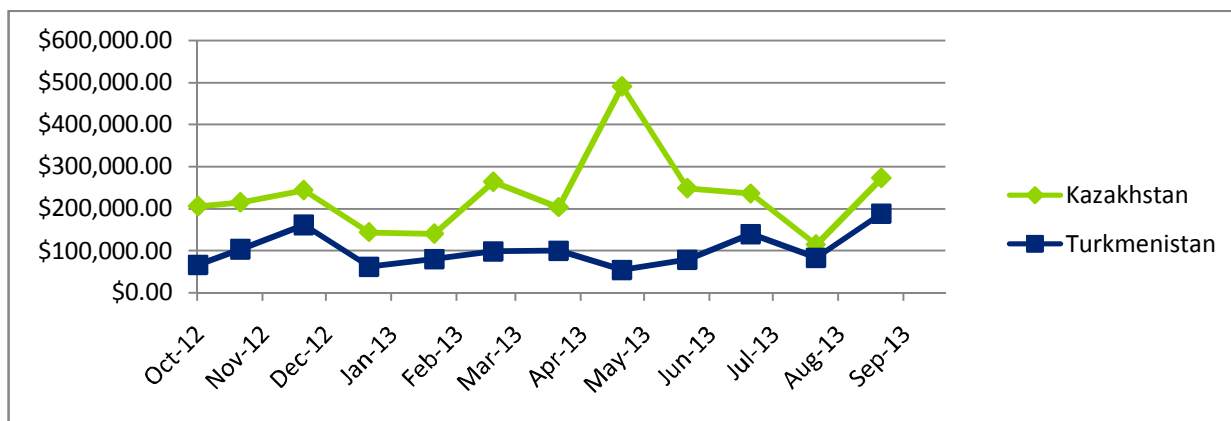
the Government of Kazakhstan through the Program for Economic Development (PED). In Turkmenistan, USAID also receives funding support from Chevron and Exxon Mobil, which is utilized by MEP.

In two years of project performance, MEP expended approximately 60% of the funding ceiling, with total accruals registered at \$5,229,000 (or 79% of the funding ceiling) in Kazakhstan and \$2,045,000 (or 38% of the funding ceiling) in Turkmenistan. In Kazakhstan, monthly spend rates varied substantially depending on work plans, but during year two, MEP recorded an average monthly spend rate of approximately \$231,000. In Turkmenistan, the average monthly spend rate measured around \$101,000.

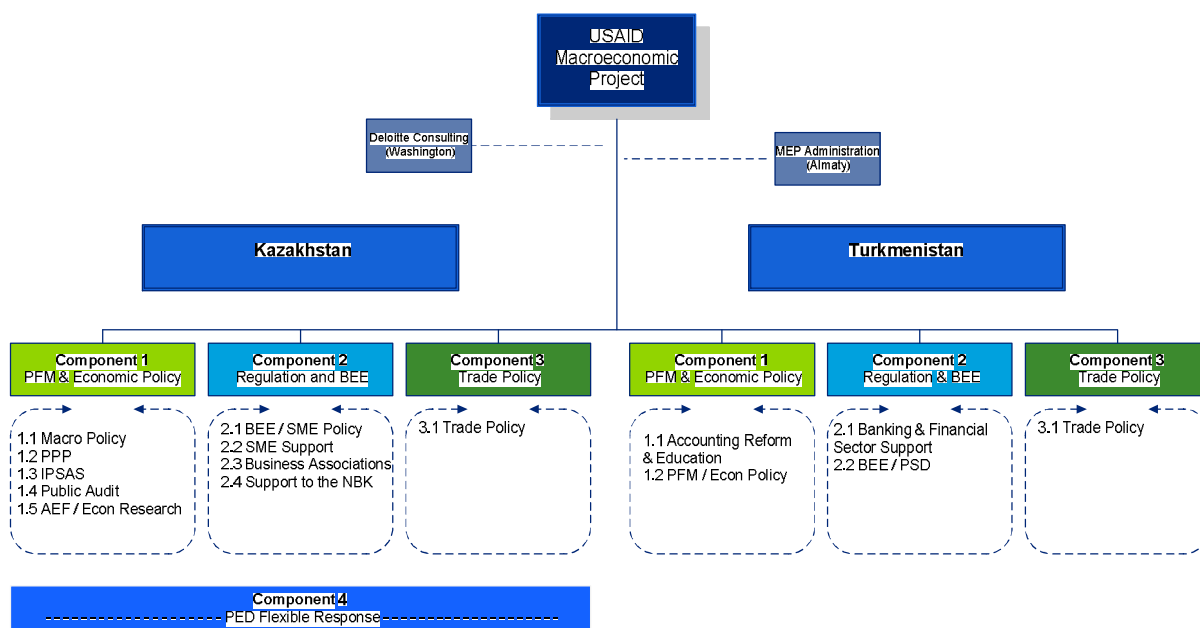
**MEP Funding by Country**



### MEP Monthly Burn Rates



With the overarching objective of assist beneficiaries to diversify their economies and promote broad-based growth, technical assistance is tailored to meet the specific needs and priorities of each country. MEP provides assistance in a wide array of technical areas, including the following:



In its year 2 MEP continued active operations in both Kazakhstan and Turkmenistan. Although significant disparities exist in terms of each country's level of development, capacity, priorities and needs, as a dual-country program, MEP does benefit from synergies derived from shared resources, knowledge, and management support. Key benefits resulting from the use of a regional assistance project include: (1) economic efficiencies through shared administrative and project management costs; (2) technical resource sharing; (3) the conduct of joint technical activities; and (4) more effective sharing of experience and lessons learned across countries.

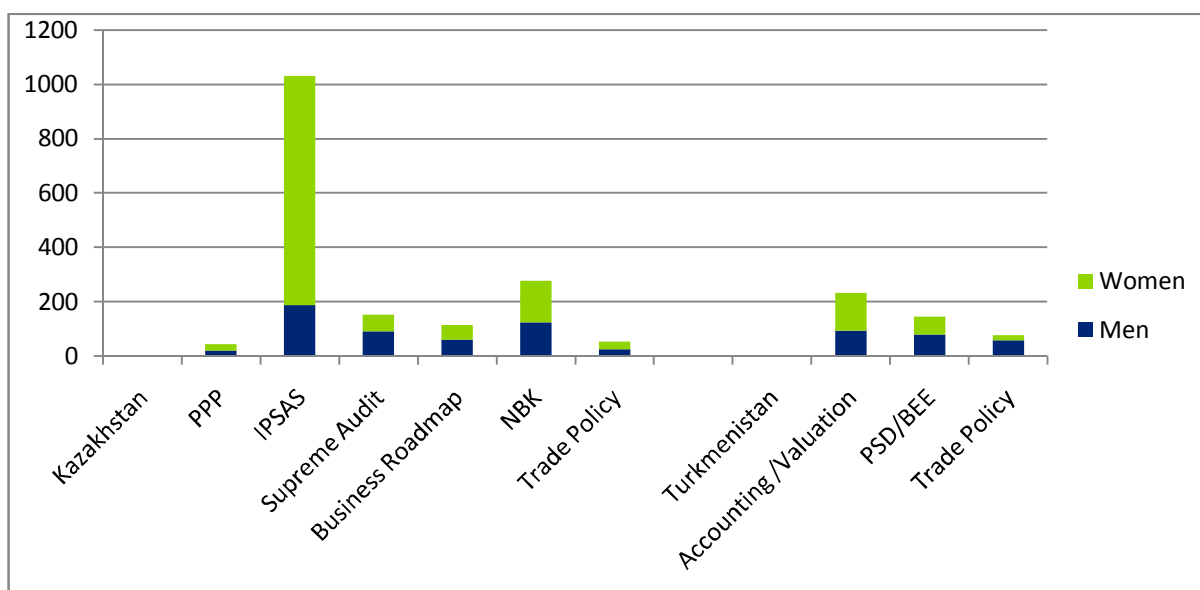
In its second year of implementation, MEP has had significant impact in all activity areas. In Kazakhstan, working in close coordination with over 14 separate technical counterparts, MEP

worked to improve the efficiency, transparency, and accountability in the use of public funds. Impact areas included the provision of extensive methodological guidance and training to the Ministry of Finance in the transition to accrual based international public sector accounting standards (IPSAS); strengthening the country's Supreme Audit Institution by assisting it to adopt relevant international best practice; helping the Ministry of Economic Development and Trade to make better informed decisions by undertaking an econometric assessment of the impact of the 2009 tax code on tax revenues; and providing extensive training and methodological assistance to central and regional government authorities to implement public-private-partnerships. Simultaneously, MEP strengthened the regulatory and business enabling environment through daily on-the-job training to the National Bank in risk-based bank supervision; and direct support in the implementation of SME support policies, such as business incubators, SME training programs, and financial support to SME. MEP likewise provided assistance to a variety of stakeholders on trade and commercial policy issues, including undertaking a legislative review and market assessment of e-commerce opportunities for the country.

In Turkmenistan, MEP also generated extraordinary results in its first year. In the area of accounting and valuation, MEP played an instrumental role in assisting the Government in its transition to National Accounting and Audit Reform Program in line with International Financial Reporting Standards. Project activities relating to the drafting of the law on valuation and building private sector capacity to undertake property and business appraisals have already resulted in the creation of seven new private valuation companies in Turkmenistan, enhancing competition and creating new business opportunities. Likewise, project activities in the area of private sector development have led to improved commercial legislation, enhanced SME financing products, and expanded dispute resolution alternatives for Turkmen businesses. MEP likewise introduced the International Labor Organization's Start and Improve Your Business (SIYB) program in Turkmenistan, training close to 240 potential entrepreneurs and business owners in only four months. These activities promise to help diversify and expand the role of the private sector in Turkmenistan's economy.

In order to ensure the sustainability and impact of USAID assistance, training is a centerpiece of many MEP activities. Capacity building is achieved through on-the-job-training, institutionalized education programs, and targeted trainings and seminars. During the second year of MEP, some 2,100 public and private sector officials were trained in a diverse array of topics, ranging from international public sector accounting standards (IPSAS) and accounting to public audit, banking supervision, trade policies and global best practice in the business regulatory environment. Some of those trained also underwent train-the-trainer courses, thereby ensuring the sustainability of the project's capacity building efforts.

### MEP Training Impact



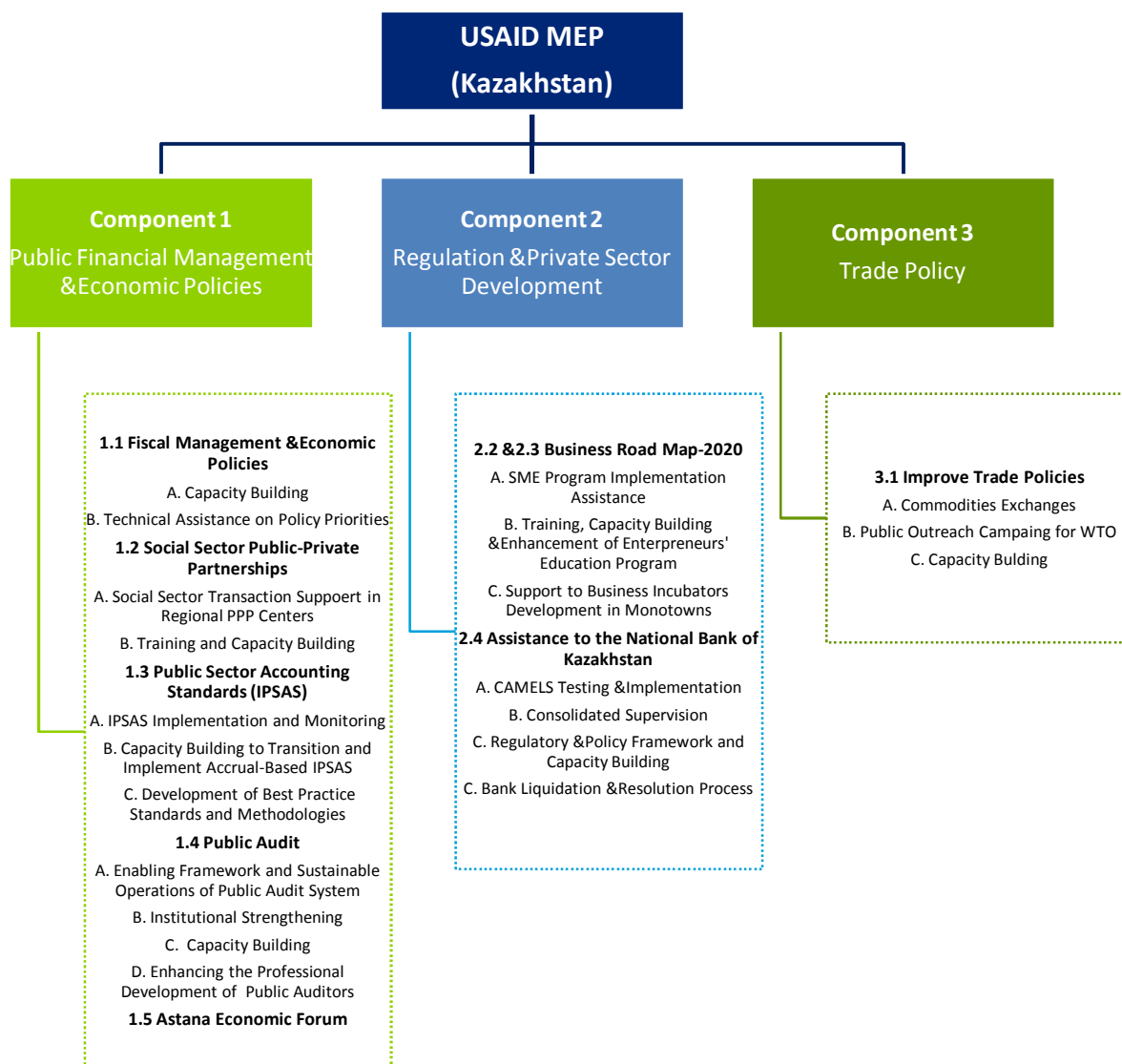
Likewise, in its second year, nearly 80 policy recommendations and guidelines were developed with USAID MEP support, thereby evidencing the project's positive impact on economic policy and practices.

## II. Kazakhstan

### Country Overview

During the second year of its implementation MEP continued its activities in Kazakhstan (in both Astana and Almaty) to various ministries and agencies, as well as to private sector representatives.

The management of MEP is immensely complex due to the fact that project activity areas are extremely diverse, involving a wide variety of government and non-governmental counterparts. The following summarizes key MEP activity areas in Kazakhstan in year two:



Change in counterparts' priorities, restructuring of some government institutions in early 2013, and MEP extension for 3 months beyond September 30, 2013 resulted in re-negotiation of the approved work plans and negotiation of additional activities in seven subcomponent areas. Overstated expectations on the scope of requested assistance and lack of capacity to deliver quality services within approved funding level and in the remaining project life time thwarted work planning and delayed the commencement of technical assistance under Subcomponents 1.2 and 3.1. Despite this, MEP was ultimately successful in formalizing work plans in all activity areas and is currently up-to-date on all delivery.

MEP assistance in Kazakhstan was delivered through a combination of local and international experts. During its second year, approximately twenty international deployments to Kazakhstan were undertaken, allowing for the provision of technical assistance in all seven subcomponent areas. In close cooperation with MEP local professionals, fifteen core international advisors provided short term on-site and off-site technical assistance in Kazakhstan.

USAID MEP made significant impact during FY 2013. In an effort to ensure institutional capacity, MEP imparted training to 1,677 individuals (511 male / 1,166 female) from both the public and private sector. Nearly 1,000 individuals were trained on core issues related to transition to accrual based IPSAS-compliant accounting in public institutions. The total impact in Kazakhstan was nearly 7,800 training hours, as well as the delivery of almost 70 policy recommendations and direct assistance with 12 bank examinations using new CAMELS rating methodology. MEP also conducted back testing of the quantitative indicators for the calculation of risk based capital charges on the basis of 8 last quarters for the entire banking system.

Even though the support to the Sixth Astana Economic Forum which took place on 22-24 May, 2013 was included into the Scope of Work for MEP, late finalization of the contract modification precluded the project from delivering technical assistance or issue grants under this Subcomponent. Nevertheless, MEP demonstrated great flexibility by accommodating short notice requests from the beneficiaries under this subcomponent and supported some of the activities related to the AEF, including production of a video promoting AEF for broadcasting on local and international TV channels.

## **KZ Component 1: Public Financial Management & Economic Policy**

### **Subcomponent 1.1: Economic Policies & Strategy**

A delay in identifying the primary beneficiary within the MEDT for this subcomponent significantly impeded the development of a work plan for this activity area. The work plan was formalized in April, 2012 with the MEDT Budget, Tax and Customs Policy Development Department (BTCPPD). During the first three months of its Year 2 MEP actively worked on summarizing the deliverables and assisting the BTCPPD in focusing on key conclusions and issues provided in the technical report Tax Reform measures to stimulate economic development in Kazakhstan: International Experience. The report provides a general overview of international trends from 2008 to 2012; outlines how tax policy measures are used to stimulate growth or support economic diversification; provides a specific review at the implications for taxation of Kazakhstan's membership of the Customs Union with Russia and Belarus; and assesses the competitive position of Kazakhstan from a taxation perspective. The report provides the MEDT with recommendations for future policy development in Kazakhstan and helps the BTCPPD staff to focus on key conclusions. The report also notes areas where tax policy needs to develop to support the government in addressing weaknesses in the Kazakhstan economy. The submission of the Report to the MEDT concluded MEP's assistance to the Government of Kazakhstan under this subcomponent. The list of MEP Deliverables for this subcomponent is included in Annex 1.

### **Subcomponent 1.2: Public-Private-Partnerships**

Despite the fact that the Work Plan for this subcomponent was formalized with the MEDT in February 2012 and covered activities through September 30, 2013, early in 2013 the National PPP Center insisted on substantial review of activities by eliminating assistance to regional PPP centers.



The revised Work Plan was only signed in mid-June 2013, and it significantly slowed the activities at the end of MEP Y2. Overall, the project has been able to react responsively to a number of counterpart requests, and actively supported the National PPP Center in organizing a round table that facilitated an active discourse of up-to-date issues in PPP policy development and implementation in Kazakhstan among line ministries, regional PPP centers, business and donor community. In an effort to assist government authorities to support capacity building staff charged with implementing PPP projects, MEP facilitated participation of the National PPP Center and MEDT staff in the 3rd Asian Public-Private Partnership Practitioners' Network Training, hosted by the Ministry of Strategy and Finance of the Republic of Korea, the Korea Development Institute, the World Bank Institute, and the Asian Development Bank in Seoul, Korea. In addition to that, USAID MEP provided nearly 600 hours of PPP training covering basic financial modeling, financial structuring, review of financial models, and development of a tariff setting models. The list of MEP PPP Deliverables is included in Annex 2.

### **Subcomponent 1.3: Public Sector Accounting Standards (IPSAS)**

In the beginning of FY 2013, MEP continuously supported the final phase of the Ministry of Finance (MoF) pilot project for transitioning 2,000 public institutions to accrual based international public sector accounting standards (IPSAS). The completion of the pilot project was marked by a nationwide series of seminars for nearly 1,000 public sector employees. And as of January 01, 2013 nearly 15,000 public entities in Kazakhstan transitioned to accrual-based IPSAS-compliant accounting. MEP's ongoing technical support to the MoF in FY 2013 included development of around ten methodological materials in support of IPSAS implementation in RK public institutions; contribution to drafting and amending of various regulatory acts, and revision of 6 training programs developed by various training institutions. MEP likewise actively participated in the development of 500-page Guidelines on IPSAS-compliant accounting and financial reporting in RK public institutions intended for public sector accountants and financial departments' staff. The list of MEP IPSAS Deliverables is included in Annex 3.

### **Subcomponent 1.4: Public Audit**

During its second year of delivery, MEP continued to provide proactive support to public authorities with adoption and implementation of new legislative and methodological approaches in public audit area that meet international standards and requirements. The adoption by the RK President of the Concept for Implementation of Public Audit in Kazakhstan and development by MEP of the first five public audit standards and derivative guidelines mark the successful FY 2013 year for the project. Recognizing the fact that successful and sustainable public audit system requires capacity building on all levels, MEP delivered 3 regional training programs for nearly 100 staff members of local audit institutions (Revision Commissions) as well as 3 training programs to the staff of the Accounts Committee. In addition to training, MEP prepared 37 technical policy papers, and assisted the Accounts Committee with establishing professional network with other supreme audit institutions. The list of MEP Deliverables in Public Accounting area is included in Annex 4.

## **KZ Component 2: Regulation and Private Sector Development**

### **Subcomponent 2.1: SME Policy / Business Climate**

Technical assistance under this subcomponent was ceased in the third quarter of FY 2012.

### **Subcomponents 2.2 and 2.3: Business Road Map 2020**

Working in close coordination with the Entrepreneurial Development Committee (EDC) of the Ministry of Economic Development and Trade and its successor Ministry of Regional Development, MEP continued playing a key role in assisting Kazakhstan to implement key elements of the Business Road Map 2020, particularly in the area of business incubation, and support to business-associations. In this regard, MEP local experts had prepared a practical guide on foundation and management of business incubators, primarily in mono-towns. MEP supported regional authorities by delivering several of workshops on site of the operating business-incubators in Shymkent, Atyrau and Pavlodar to assist nearly 70 participants to learn about essential aspects of the business-incubator and Entrepreneurship Development Center's operations. One of MEP key deliverable in FY 2013 was a comprehensive concept paper on creation of a regional business-incubator network in Kazakhstan with a step-by-step foundation scheme and description of each stage. The paper was elaborated along the lines of the Kazakhstan Mono-town Development Program. At the end of FY 2013, MEP contributed to capacity building of newly established Young Entrepreneurs Schools (YES) by training YES trainers and conducting the performance assessment of the YES in Kazakhstan. Measuring the performance of the YES training program will enable the program to realize its potential and to meet or exceed the highest expectations for successfully, significantly and positively impacting the economy of Kazakhstan. Performance and success over time will be measured not only by the number of start-up businesses, jobs created, and initial funding investments made, but also and more so, by the longer term sustainability, growth and profitability of these entrepreneurial ventures. The list of MEP Deliverables for this subcomponent is included in Annex .

### **Subcomponent 2.4: Assistance to the National Bank of Kazakhstan (NBK)**

Recognizing the need of the Financial Supervision Committee of the National Bank of Kazakhstan to improve its capacity to supervise commercial banks and to improve risk management practices in the financial sector, MEP continued to provide successful support to the Committee during FY 2013. MEP assisted in the on-site examinations of twelve commercial banks providing on-going support and guidance in the implementation and recalibration of risk-based CAMELS methodology, helping to improve examination procedures, portfolio sampling techniques and redesigning reports of examination. MEP continued to train examiners, analysts and members of Statistics and Financial Stability Departments in financial analyses, accounting fundamentals and risk recognition and quantification methodologies delivering in total nearly 1,900 hours of training to staff of the FSC and the NBK. MEP supported development, design and recalibration of tools strengthening supervisor's capability to identify and measure risks incurred by individual banks and to calculate risk-based capital charges for commercial banks. MEP supported the Committee in the process of design of the frame work for bank liquidation and resolution. MEP provided continuous assistance in the capacity building and policy design. The list of MEP Deliverables is included in Annex .

## **KZ Component 3: Trade Policy**

### **Subcomponent 3.1: Improve Trade Policies**

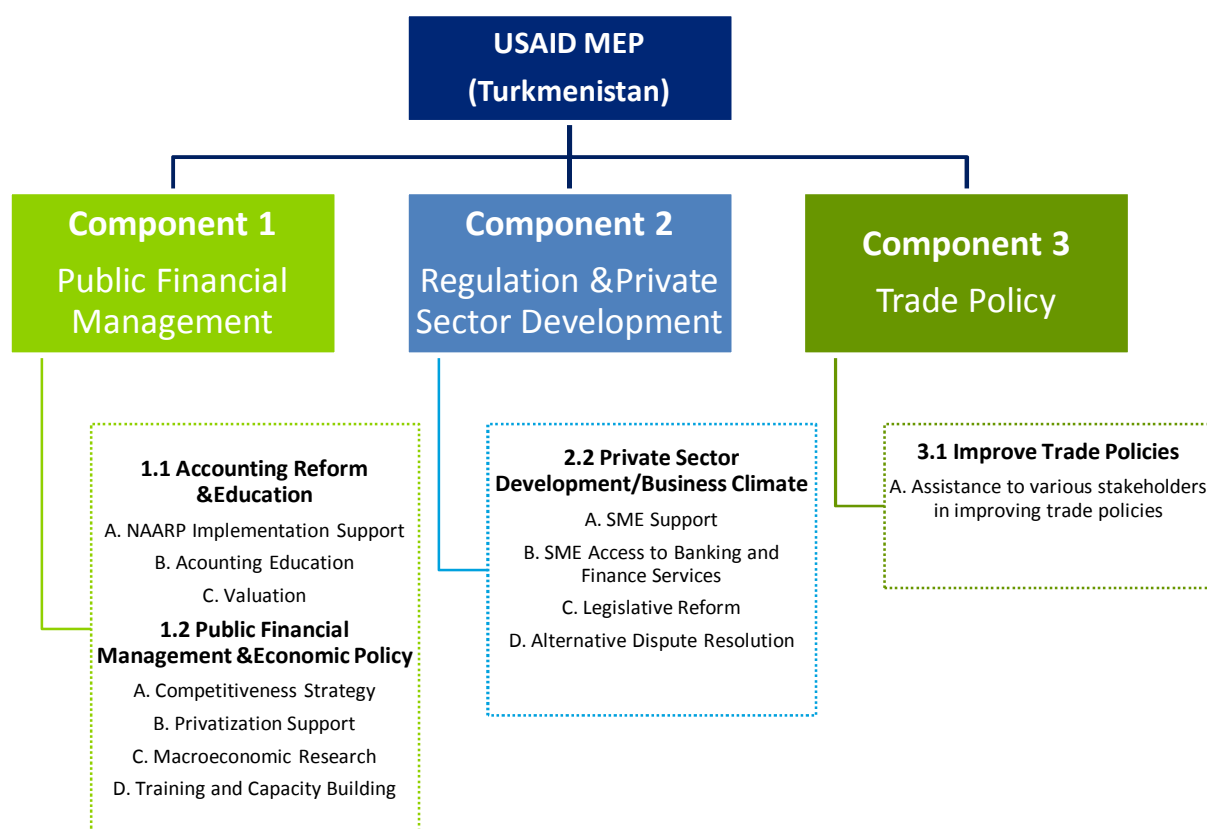
After finalizing amendments to the Work Plan in this subcomponent area in mid-June 2013, MEP focused its assistance on a broad-scale technical work on trade legislation and litigation aimed at assisting the Government of Kazakhstan in its accession process to the World Trade Organization (WTO). Technical assistance in this area is based on a series of comprehensive technical deliverables in the area of WTO-related topics such as dispute settlement, trade remedies, notification and

transparency requirements, and a broad range of brochures, devoted to the WTO accession's impact on the economy in general and specific issues such as technical regulation, regional trade agreements, sanitary and phytosanitary measures, etc. Nearly ten technical reports and brochures were balanced with a series of practical training-workshops delivered to nearly 50 government officials, private sector, and academic institutions to raise awareness and build capacity in WTO-related disciplines. Another notable deliverable under this subcomponent was a report that benchmarked the existing practices in Kazakhstan commodity exchange markets against best international practice via regulatory and technical analysis and assessment and provided recommendations for mid-term development. The list of MEP Deliverables is included in Annex .

### III. Turkmenistan

#### Country Overview

In FY 2013 MEP continued its operations in Ashgabat. Contract modification led to MEP's extension in Turkmenistan through September 30, 2016. Same modification added the 3<sup>rd</sup> component that is designed to help diverse counterparts adopt and/or implement policies, regulations, processes, and laws that facilitate trade; and eliminated few assistance areas (support to Supreme Control Chamber and Central Bank) due to lack of traction with the recipients of technical aid. MEP current structure is as follows:



In 2013, the Government of Turkmenistan continued to pursue a reform program aimed at economic diversification and leading away from natural gas exports that remains the key driver of the national economy. These efforts included significant investment in non-hydrocarbon sectors and creating incentives for the private sector, as well as steady but cautious implementation of National Development Program of Turkmenistan until 2020, the State Program on Support of Small and Medium Entrepreneurship for the Period of 2011-2015, the National Accounting and Auditing Reform Program, the State Program for Privatization of State-owned Enterprises and Units for 2013-2016, and the State Program of Capital Market Development for 2012-2016. In January 2013, the President of Turkmenistan expressed an interest in assessing pros and cons of the country's potential acceding to the WTO to promote further economic development.

Despite the formal submission to the Turkmenistan Cabinet of Ministers by USAID of MEP's proposed work plans in October 2012, MEP did not received approvals of its activity plan from the

Government of Turkmenistan and kept submitting single approvals for each event that was planned during FY 2013. Lack or significant delays with getting formal approval of various training events by the Government of Turkmenistan, as well as occasional visa rejections and the inability to deploy international and regional consultants to Turkmenistan is beyond MEP control, but certainly negatively impacts project activities.

For reasons outside the control of MEP, some proposed government counterparts (Supreme Control Chamber, Central Bank of Turkmenistan, Ministry of Economy and Development) do not seem willing or able to authorize USAID assistance. MEP continuously sought opportunities to engage with these counterparts, but broader political issues seem to impede progress and the assistance to these beneficiaries was excluded from MEP scope of work.

Despite these challenges, however, USAID MEP made significant impact in Turkmenistan during FY 2013. In an effort to ensure institutional capacity, MEP imparted training to 471 individuals (235 male / 236 female) from both the public and private sector. The total impact included over 21,000 training hours, as well as the delivery of 8 technical documents, reports and training manuals. During FY 2013, MEP was principally engaged in delivering technical assistance in two areas: accounting reform, trade policies and WTO accession, although some assistance was also provided in other areas, such as private sector development, alternative dispute resolution and valuation. MEP also demonstrated great flexibility and high rate of response by arranging in close cooperation with USAID country office in Turkmenistan and U.S. Trade Representative a 2-day International Conference titled “Turkmenistan and WTO Accession: Substantive Matters and the Negotiation Process”. Held in Ashgabat in March 2013 at the request of the Government of Turkmenistan, the conference provided the Government of Turkmenistan officials with important information about preparation for WTO accession, from negotiations to the completion of the process and paved the way for more assistance in the area of trade policies facilitation.

## **TM Component 1: Public Financial Management & Economic Policy**

### **Subcomponent 1.1: Accounting Reform and Education**

MEP continued to provide key support to the Ministry of Finance of Turkmenistan (MoF) in a wide variety of activities relating to the implementation of the country’s National Accounting and Audit Reform Program. Key activities included, amongst others, the following:

- (i) Assistance to MoF in developing national accounting standards for the following areas: development of model accounting policy for the commercial enterprise, correspondence of accounts on various accounting transactions, and development of provision on “Accounting rules for economic entities”.
- (ii) Technical assistance to the MoF in developing study materials on the National Financial Reporting Standards for Commercial Enterprises (NFRSCE), which will be used for mass training of public sector employees.
- (iii) Study materials on IFRS for insurance as part of the project’s efforts to support the introduction of international accounting standards in Turkmenistan.
- (iv) MEP provided trainings for nearly 190 public and private sector accountants in such areas as Financial Accounting 1, IFRS for SMEs, and IFRS for extracting industries.

MEP also worked closely with the Ministry of Economy and Development and the Union of Economists (UoE) to further support the valuation sector development in Turkmenistan. The Project trained about 60 public and private sector experts in valuation of real estate and valuation of transport, machinery, and equipment. MEP's assistance in this area significantly slowed down as a result of structural change at the UoE and lack of appropriate license of the UoE training center to continue activities in this area.

### **Subcomponent 1.2: Public Financial Management and Economic Policy**

Despite the lack of formal approval by the Government of Turkmenistan for USAID support, under the auspices of the Union of Industrialists and Entrepreneurs (UoIE) MEP arranged a visit of a competitiveness expert to Turkmenistan who briefed the Minister of Economy and Development and the Minister of Finance on the importance of and method for improving the competitiveness of Turkmenistan's economy. Structural changes at the UoIE precluded MEP from expanding further assistance in this area. In addition to this effort, MEP also provided a limited assistance in the area of macroeconomic policy and prepared a report on a consumer price index for Turkmenistan that was imperative for the objective benchmarking of prices and is viewed as a key tool for monitoring Turkmenistan's macroeconomic performance.

## **TM Component 2: Regulation and Private Sector Development**

### **Subcomponent 2.2: Private Sector Development / Business Climate**

Acting within the framework of the MOU signed between MEP and the Union of Industrialists and Entrepreneurs (UoIE), a quasi-governmental organization, MEP provided extensive support on a broad array of private sector issues and delivered trainings in such areas as starting a business, banking for SMEs, and alternative dispute resolution for nearly 150 persons from public and private sectors, including the following:

- (i) MEP completed the implementation of the International Labor Organization's (ILO) Start Your Business program (SYB), which over its life cycle in FY 2012 and 2013 provided training to over 150 start-up entrepreneurs and enabled four local trainers to get an ILO certification to continue the delivery of the program for potential entrepreneurs thereby contributing to the expansion of the private sector in Turkmenistan.
- (ii) MEP supported the UoIE's Rysgal Bank in developing a strategy SME client management strategy and strengthening the SME credit risk management function and arranged a training workshop titled "Planning for Rysgal Bank Future Development" for Rysgal Bank staff.
- (iii) MEP arranged 2-stage training in alternative dispute resolution for nearly 70 Government of Turkmenistan officials representing key agencies.

## **TM Component 3: Trade Policy**

### **Subcomponent 3.1: Improve Trade Policies**

In FY 2013, MEP was extremely successful in initiating fruitful cooperation with the Turkmen Government in the area of trade policy and carried out the following activities:

- (i) At the Ministry of Foreign Affairs' (MFA) request, MEP conducted an international conference titled Turkmenistan and WTO Accession: Substantive Matters and the

Negotiation Process in March 2013, which gathered nearly 60 Government of Turkmenistan officials and was attended by the Minister of Economy and Development and the Minister of Finance.

- (ii) In response to requests and feedback received from Government of Turkmenistan officials during the international conference, MEP started working on the Concept Paper on WTO Accession Process. The document provides substantial details on the WTO procedural aspects of accession negotiations and analysis of WTO disciplines and introduces experience of other countries – both WTO Members and non-Members that are in accession process. In addition to the Concept Paper, MEP also started developing a document titled “WTO Accession Roadmap for Turkmenistan”. The Roadmap will describe in detail the process that the Government of Turkmenistan will need to consider following to accede to the WTO.
- (iii) In September 2013, MEP arranged a seminar titled «Initial Steps for WTO Accession» for 22 Government of Turkmenistan officials, during which the draft versions of the two above-mentioned documents were presented. MEP will update the documents to reflect comments provided by the seminar participants and will officially submit them to the Government of Turkmenistan in October 2013.

The list of MEP Deliverables in Turkmenistan is included in Annex .

## Annex 1

### Inventory of MEP 1.1 Fiscal Management and Economic Policy Deliverables

|   | Activity  | Work Plan Reference               | Comment   |
|---|---|-----------------------------------|---|
| 1 | MEP delivered a technical report on Tax Reform measures to stimulate economic development in Kazakhstan: International Experience (cover letter #226 dated November 29, 2012) | B.i, B.ii, B.iii, B.iv, B.v, B.vi | 170-page report covered issues falling within Part B of the Work plan.  |
| 2 | MEP prepared and delivered presentation to the MEDT Budget, Tax and Customs Policy Department to summarize results of the part B (December 10, 2012)                          | B.i, B.ii, B.iii, B.iv, B.v, B.vi | Presentation was delivered in the form of a seminar to the staff of the MEDT Budget, Tax and Customs Policy Development Department. |



## Annex 2

### Inventory of MEP 1.2 PPP Deliverables

|   | Activity  | Work Plan Reference                        | Comment   |
|---|---|--|---|
| 1 | On October 25, 2012 MEP jointly with the National Public-Private Partnership Center and the International PPP Association organized a Round Table on “Kazakhstan’s New Infrastructure Projects”   | I.A.vi (original Work plan)                | Successfully organized Round Table  |
| 2 | On November 5-9, 2012 MEP facilitated participation of the Ministry of Economic Development and Trade of the Republic of Kazakhstan and the National PPP Center staff members in the 3rd Asian Public-Private Partnership Practitioners’ Network Training | I.C (original Work plan)                   | Successfully arranged and conducted study tour to a well-performing PPP institution abroad (Seoul, Korea) |
| 3 | On June 27-28, 2013 MEP delivered a training workshop on “Instruments and approaches to financial and economic analysis and modeling”   | II.i (Work plan approved on June 17, 2013) | Successfully delivered 2-day workshop for 32 staff members of the NPPPC, MEBP, and regional PPP centers   |
| 4 | On July 2, 2013 MEP delivered the training session on a more advanced technical application of PPP financial modeling   | II.i                                       | Successfully arranged session on the development of a tariff setting model for to NPPPC team              |

## Annex 3

### Inventory of MEP 1.3 Public Sector Accounting Standards (IPSAS) Deliverables

| Activity |  | Work Plan Reference | Comment  |
|----------|--|---------------------|--|
| 1        | MEP Expert participated in several round tables for accounting practitioners in state institutions and external and internal audit staff, and delivered 1-hour lecture in each of 4 events. The objective of the event was to inform broad audience on relevant methodological and practical aspects of the transition of state institutions of pilot ministries and oblasts to the accrual basis accounting | 2                   | Over 1,000 public sector accountants and finance departments' staff received information on specifics of transition of state institutions to accrual-based IPSAS.  |
| 2        | MEP provided technical assistance in the introduction of amendments and additions to existing legal regulatory acts, as well as development of a Practical training aid on IPSAS-compliant accrual-based accounting in foreign offices of the Ministry of Foreign Affairs  | 6, 10               | MEP continuously participated in legal drafting activities and contributed to the following: <ul style="list-style-type: none"> <li>Rules for IPSAS compliant accrual-based accounting in public institutions;</li> <li>Rules on consolidation of financial reporting by local and republican budget programs administrators and amendments to the MOF Order #303;</li> <li>Amendments to the Album of Accounting Forms.</li> </ul>  |
| 3        | Technical assistance by providing quality assurance on training aids relating to the training of accountants and external and internal audit staff   | 7                   | MEP examined training materials and provided 6 reviews on training programs on Accrual-Based IPSAS developed by various training institutions.   |
| 4        | MEP Advisor actively participated in the initiated in the last quarter of FY 2013 consultations and provided advisory assistance on the improvement and integration of accounting and budget accounting  | 8                   | Ongoing participation in working meetings and consultations on issues related to improvement of accounting and budget accounting, and their integration.   |
| 5        | Research as well as development of recommendations on ways to create and improve accounting system integrated with the statistical basis for preparing financial statements and applying the IMF 2001 Government Finance Statistics Manual   | 11                  | In the last quarter of FY 2013, MEP supported the research as well as development of recommendations on ways to create an accounting system integrated with statistical basis of preparing financial statements and applying the IMF Manual  |
| 6        | Technical and advisory assistance by developing recommendations on the methodology of consolidated public sector financial statements preparation  | 12, 15              | MEP continuously participated in the development of: <ul style="list-style-type: none"> <li>Methodology guidelines that relate to accounting of concessions in line with IPSAS 32 "Concessions";</li> <li>Methodological recommendations for restoration of accounting of all assets and liabilities in line with IPSAS requirements, and recognition of previously not accounted for financial investments in quasi-public sector on balance sheets of public institutions and</li> </ul> |

|   |  |   |   |
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|   |  |   | <p>budget programs administrators, as well as liabilities for accounting for external loans and budget credits;</p> <ul style="list-style-type: none"> <li>• Methodological guidance for preparation of the separation balance sheet and accounting during merger, consolidation, separation, segregation of functions and duties, merger of functions and duties, etc.); capturing investments in quasi-public sector, joint stock companies and national public enterprises.</li> <li>• Methodologies for accounting of financial investments in quasi-public sector, joint stock companies, and republican public enterprises on the balance sheets of public entities and budget program administrators;</li> <li>• Methodology guidance during a pilot project on preparing consolidated financial statements for 6 months of 2013 by republican and local budget program administrators.</li> </ul> |
| 7 | Recommendations on the development of a reconciliation scheme for major items in the annual and quarterly statement forms of a state institution and a budget program administrator  | 14  | MEP Advisor provided recommendations on developing a mechanism for coordinating main indicators on annual and quarterly reports of a public institution and budget program administrator.   |
| 8 | Assistance with updating IPSAS Handbook and IPSAS  | 13 of Original WP, and 2 of the Additional WP | MEP provided Russian translations of The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities developed by IFAC   |
| 9 | MEP IPSAS Advisor participated in the development of "IPSAS-compliant accounting and financial reporting in state institutions in Kazakhstan. The practical aspects of application" textbook by providing methodological support | 1 of the Additional WP                        | 500-page book is compiled and prepared for pre-printing   |

## Annex 4

### Inventory of MEP 1.4 Public Audit Deliverables

|   | Activity   | Work Plan Reference | Comment  |
|---|--|---------------------|--|
| 1 | <p>MEP developed the following public auditing standards (PAS) and implementation guidelines (IG):</p> <ul style="list-style-type: none"> <li>• drafts of PAS 1 «Independence» and IG “Ensuring the Independence”;</li> <li>• drafts of PAS 4 «Professional Judgment» and IG “Application of Professional Judgment”;</li> <li>• drafts of PAS 6 «Accountability» and IG “Ensuring the Accountability of Public Audit Bodies”;</li> <li>• drafts of PAS 7 «Transparency» and IG “Ensuring the Transparency of Public Audit Bodies”;</li> <li>• drafts of PAS 200 «The Overall Objective of Public Audit» and IG “Setting and Achieving the Overall Objective of Public Audit”.</li> </ul> | 1.2.-1.3.           | Overall 50 pages of Draft standards and implementation guidelines were accepted by the AC.   |
| 2 | MEP continued to supporting the AC with the development of a new draft Concept on adopting public auditing in the Republic of Kazakhstan (draft name <i>Concept of the development of state financial control system of the Republic of Kazakhstan till 2020</i> ).  | 1.4.                | The Concept was approved by the President Decree on September 3, 2013 (#634).  |
| 3 | MEP initiated and completed planning and preparatory phase for independent performance evaluation of the Revision Commission on Astana city (RC).  | 2.2.                | Developed Performance Evaluation Program, Performance Evaluation Gantt Chart, Evaluation Checklists, and a Questionnaire on Performance assessment of the Quality Management System in RC (19 pages). All activities in this area will be completed by December 31, 2013 |
| 4 | MEP advisors developed a technical paper entitled “ICT Using by SAIs: Overview of International Practice and Conceptual Recommendations” (77 pages).   | 2.5.                | The Overview Report was accepted by the AC in the course of work. In response to the AC’s request, MEP advisor provided advice on ways of application of the report.   |
| 5 | <p>MEP advisors delivered 3 regional training programs for Revision Commissions (RC):</p> <ul style="list-style-type: none"> <li>• On October 11-12, 2012 for 37 staff members of RCs of Almaty city, Kyzylordinskaya, Zhambylskaya, Almatinskaya, Kostanayskaya and East-Kazakhstanskaya oblasts;</li> <li>• On February 7-8, 2013 for 27 staff members of RCs of Astana city, Akmolinskaya, Karagandinskaya, Pavlodarskaya and Kostanaiskaya oblasts</li> <li>• On February 14-15, 2013 for 33 staff members of RCs of Aktubinskaya, Atyrauskaya, Mangistauskaya, West-Kazakhstanskaya oblasts, and Revision Commission on Astana city</li> </ul>                                      | 3.4.                | Chairmen of several Revision Commissions noted the importance of the training and its contribution for building capacity of newly established institutions.  |
| 6 | MEP delivered 3 targeted workshops for staff of the Accounts Committee and Research Centre on financial violations. The topics of delivered workshops are:   | 3.5.                |  |

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|                              | <ul style="list-style-type: none"> <li>• IPSAS for public Auditors;</li> <li>• Audit of consolidated financial statements; and</li> <li>• Environmental Audit.</li> </ul>  |            | <ul style="list-style-type: none"> <li>• Attended by 27 participants</li> <li>• Attended by 27 participants</li> <li>• Attended by 3 participants</li> </ul>  |
| 7                            | MEP advisors developed a technical paper entitled "International Practice Overview Report: Preparing for Audit of IPSAS Accrual-Based Financial Statement" (95 pages)  | 4.4.       | The was accepted by the AC.   |
| 8                            | MEP advisors developed a technical paper entitled "Recommendations on reforming external auditing methodology due to transition of public institutions of Kazakhstan to accrual based IPSAS financial statement" (88 pages)  | 4.5.       | The recommendations were accepted by the AC   |
| 9                            | MEP assisted the AC with developing Draft Cooperation Agreements (or MOUs) between SAIs of Kazakhstan and US/Germany. Likewise MEP assisted with establishing communication with the above said SAIs.  | 5.2., 5.4. | The AC received official responses from SAIs of Germany and the U.S. that informed the AC that these SAIs don't practice bilateral agreements and/or face budgetary difficulties for the implementation of related cooperation initiatives.   |
| THE MAIN AD-HOC DELIVERABLES |  |            |   |
| 1                            | The consultations to the Economic Research Institute of the Ministry of Economy and Budget Planning of the Republic of Kazakhstan (hereinafter - ERI) regarding the public audit adoption issues.  |            |   |
| 2                            | The participation of MEP Advisor in the Brain Storming Seminar on State Planning System and making contribution in the form of speech for plenary session and presentation entitled "Promotion improvements in planning through advanced and qualitative performance audit".   |            |   |
| 3                            | Translations of the following INTOSAI's documents: <ul style="list-style-type: none"> <li>• INTOSAI Circular (50 pages);</li> <li>• Exposure draft of ISSAI 5700 "Guideline for the Audit of Corruption Prevention in Government Agencies" (77 pages);</li> <li>• Exposure draft of ISSAI 5450 "Guidance of Auditing on Public Debt Information System" (34 pages);</li> <li>• Exposure draft of ISSAI 5800 "Guide for Cooperative Audit Programs between Supreme Audit Institutions" (20 pages).</li> </ul> |            |   |
| 4                            | MEP developed proposals to the Terms of Reference for conducting a sociologic survey on effectiveness in executing of program papers aimed at improving living standards and reducing poverty in Kazakhstan  |            |   |
| 5                            | MEP prepared a technical paper "The research on effectiveness of use of budget funds allocated for programs aimed at increasing quality of living and poverty reduction in the Republic of Kazakhstan: comments and recommendations to the research report"  |            | The 78-page document includes 11 packages of comments to and recommendations on the conducted research in general, and to the draft research report in particular. Those comments and recommendations include: a comparative analysis of a number of key indicators; analysis of some systematic issues; proposed conclusions and recommendations for incorporation into the final research |

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|  | report. Comments and recommendations were agreed upon with the AC and taken into account when finalizing the research report. |
| <p>6 MEP prepared a technical paper <i>Case Studies on IPSAS Adoption</i> that outlines a brief rationale for IPSAS adoption, overviews the transition from cash based accounting to accrual based accounting, describes the role of the Integrated Financial Management Information Systems, and provides an overview of accounting reforms with two case studies/approaches – Kosovo and Uganda.</p> | 29-page paper was submitted to the AC.  |

## Annex 5

### Inventory of MEP 2.2 & 2.3 Business Road Map 2020 Deliverables

|   | Activity  | Work Plan Reference                      | Comment   |
|---|---|--|---|
| 1 | MEP local experts produced "Business incubator: foundation and management" brochure disseminated as an outreach material for local administrations, DAMU Fund and managers of business incubators.  | I.D./I.E/I.F.                            | A 58-page brochure provides practical information on how to set up business - incubator and manage it. Toolkit of necessary sample documents was presented on a CD. The structure and content of the brochure was approved by the MEDT EDC.   |
| 2 | In January 2013, MEP delivered 3 two-day regional training-workshops in Shymkent, Atyrau and Pavlodar entitled "Practical and Organizational Aspects of the Business-incubator and Entrepreneurship Development Center's Operation" for local administrations, regional offices of the DAMU Fund and Entrepreneurship Support Centers under DAMU. Training was conducted on site of operating business incubators in Shymkent, Atyrau and Pavlodar. | I.D./I.E/I.F.                            | Training was delivered to 70 representatives of local authorities, regional offices of DAMU and Entrepreneurship Development Centers from all 14 regions of Kazakhstan.   |
| 3 | MEP delivered a Concept Paper on "Creation of the Regional Business Incubator Network in the Republic of Kazakhstan" to the MRD EDC (Cover letter # 56 dated April 30, 2013).   | I.F                                      | MEP delivered a 34-page Concept with 4 Annexes.   |
| 4 | In August 2013, MEP delivered two regional one-day training workshops (in Almaty and in Astana) on "Development of fundraising skills for business associations" for regional business-associations of Kazakhstan.  | III.C.a                                  | Attended by 34 representatives of business associations of Astana, Almaty, South Kazakhstan, East Kazakhstan, West Kazakhstan, Kyzylorda and Zhambyl, Pavlodar, West Kazakhstan and Karaganda oblasts.  |
| 5 | In September 2013, MEP delivered one two-day workshop for lecturers in entrepreneurship training program at Young Entrepreneurs Schools (YES) on "Increasing efficiency in entrepreneurial skills training".  | I.iii<br>(Work Plan for Oct.-Dec., 2013) | Training was attended by 10 lecturers: 2 from East Kazakhstan Technical University, 2 from Kyzylorda State University, 2 from South Kazakhstan State University, 2 from West Kazakhstan State University, and 2 from Turan University in Astana. 2 representatives of the DAMU Fund's Head Office had participated as well. |
| 6 | Performance Assessment of the YES Training Program  | I.i<br>(Amended Work Plan)               | A 21-page Assessment report is prepared   |
| 7 | YES Performance Assessment Manual (methodology)   | I.ii<br>(Amended Work Plan)              | MEP produced a 30-page Performance Assessment Manual  |

## Annex 6

### Inventory of MEP 2.4 Deliverables. Assistance to the Financial Supervision Committee of National Bank of Kazakhstan (FSC)

|   | Activity   | Work Plan Reference | Comment   |
|---|--|---------------------|---|
| 1 | Support with implementation of risk-based supervisory approach based on new CAMELS rating methodology.   | A (i)               | <ul style="list-style-type: none"> <li>MEP assisted in the examination of 12 commercial banks including one systemic institution. The assistance included: support in pre-examination procedures, component ratings based on qualitative and quantitative indicators of risk, review of final examination reports and preparation of materials for meetings with the Board of Directors at the conclusion of the examination.</li> <li>MEP advisor delivered a total of 370 person/training hours to the FSC staff, including staff from regional offices on:               <ul style="list-style-type: none"> <li>Anti money laundering (3 two-hour sessions);</li> <li>Deferred tax recognition and reporting (2 two-hour sessions);</li> <li>Calculation of the specific provisions based on IFRS requirements (1 two-hour session);</li> <li>Risk-based supervisory approach and its implementation (one 2.5 hour session); and</li> <li>Instructions on the use and interpretation of ratios and values from the Uniform Bank Performance Report during the preparation for on-site examination (1 two-hour session).</li> </ul> </li> </ul> |
| 2 | MEP delivers ongoing training to newly hired employees in CAELS risk-based analysis of financial condition of individual banks and CAELS rating methodology. | C (i), C (ii)       | <ul style="list-style-type: none"> <li>MEP advisor conducted 14 two-hour sessions for 13 newly hired off-site. Training covered introductory risk – based analyses of banks financial condition including trends and indicators for Capital, Asset Quality, Earnings, Liquidity and Sensitivities components. The course also included the IFRS fundamentals and covered CAELS rating methodology.</li> <li>MEP advisor conducted 6 two-hour refreshment course for 30 FSC staff on CAELS</li> </ul>  |
| 3 | Ensure appropriate recording of the IFRS compliant financial results in the regulatory reports.  | E (i)               | MEP advisor supported the development of additional input forms for capturing data on new, IFRS compliant classification of assets and provisioning. MEP advisor also participated in the development of instructions for asset classification, including methodologies for discounting of cash flows, collateral valuation and credit risk scoring techniques.   |
| 4 | Assist in the quantification of the IFRS-compliant capital calculations' impact on system's capitalization.  | E (ii)              | MEP advisor assisted the NBK in the development of quantitative and qualitative tools for the calculation of risk based capital charges to be required by the regulator at the individual banks. Advisor also assisted in back testing of the quantitative indicators on the basis of 8 last quarters for the entire system.  |



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| 5                                   | Design the IFRS-compliant components of the off-site surveillance system BOSS.  | E (iii) | MEP advisor designed output reports capturing newly collected data on the IFRS-compliant classification of assets and provisioning.  |
| 6                                   | Prepare Concept Paper: Improving the Framework for Bank Liquidation and Resolution in Kazakhstan.   | F (i)   | Concept Paper was delivered to the Working Group established by the NBK for the development of recommendations regarding improvements of the legal framework and processes of bank liquidation and resolution.   |
| 7                                   | Design legal framework for the resolution process including preparation of changes to the existing laws; assist in the selection and definition of stakeholder roles. | F (ii)  | MEP advisor delivered preliminary recommendations for bank liquidation and resolution including changes to several laws.   |
| <b>THE MAIN AD-HOC DELIVERABLES</b> |   |         |  |
| 1                                   | Assistance with preparation of the harmonization of the Early Warning System and quantitative CAMELS /CAELS indicators.   |         | Together with the staff of the off-site unit, MEP developed sets of indicators measuring levels of risk at individual banks. These indicators will be applied in the calculation of risk-based capital charges required by the regulator in the process of linking capitalization of the banking sector to the levels of risk and to the quality of risk management.       |
| 2                                   | Assistance with the development of new guidelines for classification of assets and contingent liabilities.  |         | MEP advisor assisted in the development of new guidelines for classification of assets and contingent liabilities replacing the existing classification system. The new classification guidelines will be implemented in the 4 quarter of 2013.  |
| 3                                   | Training staff of the Statistics and Financial Stability Departments in Accounting Fundamentals and Financial Analyses.   |         | MEP advisor conducted 10 two-hour sessions for members of the Statistics and Financial Stability Departments. MEP trained 22 staff members in changes to the IFRS requirements regarding standards #39 and # 9. Other topics included financial information disclosure, assessment of bank's financial condition and risk identification and quantification methodologies. |
| 4                                   | On-the-job training to members of the Financial Stability Department on financial reporting, ratios and main indicators used in analyzing banks' financial            |         | The training was delivered at the request of the Department for 4 staff members.   |
| 5                                   | Implementation of the IFRS #39 and its Application in Banks' Lending Processes  |         | Training delivered in partnership with the Advisor to the NBK for 25 staff members of the NBK (400 person/training hours)  |

## Annex 7

### Inventory of MEP 3.1 Trade Policy Deliverables

|   | Activity   | Work Plan Reference        | Comment  |
|---|--|----------------------------|--|
| 1 | MEP delivered a technical report on Commodity Exchanges (cover letters to the MEBP and Trade Committee #39 and #40, respectively, dated 25 February 2013)  | II. i) – iii) <sup>1</sup> | MEP delivered a 74-page technical report on commodities exchanges in Kazakhstan aimed at comparing the existing practices against best international practice, undertake a legislative assessment and provide mid-term development recommendations   |
| 2 | MEP conducted a Comparative analysis comments to the Draft Law on Safeguards, Anti-dumping and Countervailing Measures   | III.i                      | The document was submitted to the Ministry of Economy and Budget Planning External Trade Regulation Department and the Centre for Trade Policy Development (MEBP ETRD/CTPD) #50 and 51, respectively, dated 12 April 2013)   |
| 3 | In July 2013, MEP prepared a Technical report on “Dispute Settlement Mechanisms in International Trade Agreements”   | III.ii a)                  | MEP delivered a 70-page technical report on dispute settlement mechanisms within the WTO and regional trade agreements to the MEBP ETRD/CTPD   |
| 4 | In August 2013, MEP prepared a Technical report on “Transparency and Notification Requirements under the WTO System”   | III.ii b)                  | MEP delivered an 80-page technical report on transparency and notification requirements under the WTO system with numerous attachments (almost 300 pages) to the MEBP ETRD/CTPD  |
| 5 | <p>During the second half of FY 2013, MEP developed a number of WTO-related brochures designed to raise awareness of the private sector and public at large on WTO basics and specifics in light of the expected accession to the Organization:</p> <ul style="list-style-type: none"> <li>“Kazakhstan’s Accession to the WTO: Protection of the Rights and Interests of Entrepreneurs” (cover letters to the MEBP ETRD/CTPD #103 and 102, respectively, dated 17 July 2013)</li> <li>“Kazakhstan’s Accession to the WTO: Impact on Agriculture” (cover letters to the MEBP ETRD/CTPD #128 and 127, respectively, dated 21 August 2013)</li> <li>“10 Things the WTO Can Do” (cover letters to the MEBP ETRD/CTPD #137 and 136, respectively, dated 10 September 2013)</li> </ul> | III.iii                    | <ul style="list-style-type: none"> <li>A 46-page private sector-oriented brochure on basic trade defense instruments that may protect the interests and rights of Kazakh entrepreneurs and producers.</li> <li>A 30-page private sector-oriented brochure on the impact of the WTO accession on the agricultural sector.</li> <li>A 38-page private sector-oriented illustrated booklet on basic advantages offered by the WTO.</li> </ul> |

<sup>1</sup> Clause iv) of the Work Plan has not been delivered as the counterpart expressed no interest in delivering the training

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| <ul style="list-style-type: none"><li>• “Kazakhstan’s Accession to the WTO: Impact on Investments” (cover letters to the MEBP ETRD/CTPD #137 and 136, respectively, dated 10 September 2013)</li><li>• “Kazakhstan’s Accession to the WTO: Goods Market – New Trends” (cover letters to the MEBP ETRD/CTPD #137 and 136, respectively, dated 10 September 2013)</li></ul> | <ul style="list-style-type: none"><li>• A 24-page private sector-oriented brochure on the impact of the WTO accession on investments.</li><li>• A 35-page private sector-oriented brochure on the impact of the WTO accession on the goods market.</li></ul> |
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## Annex 8

### Inventory of MEP Deliverables in Turkmenistan: Accounting reform and education (1.1), Public Financial Management and Economic Policy (1.2), Private Sector Development (2.2) and Trade Policy (3.1)

|   | Activity   | Work Plan Reference           | Comment   |
|---|--|-------------------------------|---|
| 1 | MEP supported 108-hour training in valuation of real estate for 18 experts from private sector (Aug-Oct 2012)  | Turkmenistan Subcomponent 1.1 | Training has contributed to further development of the valuation business in Turkmenistan   |
| 2 | MEP supported 52-hour course for 19 private sector experts on valuation of transport, machinery, and equipment (Oct-Dec 2012)  | Turkmenistan Subcomponent 1.1 | Training has contributed to further development of the valuation business in Turkmenistan   |
| 3 | MEP supported 108-hour training in principles of valuation and valuation of real estate for MOED officials involved in implementation of the 2012-2016 privatization program (Jul-Aug 2013)  | Turkmenistan subcomponent 1.1 | The MOED officials will use the knowledge received during the training in implementing the 2012-2016 privatization program  |
| 4 | MEP supported a study tour to London, UK for Turkmenistan Government officials to observe the best practices in rule settings in IFRS area, including standard setting, adoption and application, regulation and professional certification.   | Turkmenistan Subcomponent 1.1 | MEP international IFRS Advisor, Mr. Sawyer, actively supported the group during their visit. The study tour has enhanced the understanding of participants in areas of standard setting, IFRS implementation, professional accounting body practices and other issues related to accounting reform. |
| 5 | MEP provided assistance to the MOF in developing National Accounting Standards in the following areas: <ul style="list-style-type: none"> <li>• Development of model accounting policy for a commercial enterprise;</li> <li>• Correspondence of accounts on various accounting transactions; and</li> <li>• Development of provision on "Accounting rules for economic entities"</li> </ul> | Turkmenistan subcomponent 1.1 | Provided technical assistance supported the MOF timely implementing the accounting reform program.  |
| 6 | At the request of the MoF, MEP developing study materials on IFRS for insurance (IFRS 4)   | Turkmenistan subcomponent 1.1 | Training materials will support the Government of Turkmenistan in reforming the accounting system and developing insurance sector.  |
| 7 | MEP experts supported the development of training materials in the National Financial Reporting Standards for Commercial Enterprises (NFRSCE) to be used for mass training of public sector employees (Jul-Sep 2013)   | Turkmenistan subcomponent 1.1 | Study materials will be crucial for successful training of local accountants in the NFRS. The transition for NFRS is planned in January 2014.   |
| 8 | MEP organized and supported a 40-hour train-the-trainer course on NFRSCE for 20 local trainers (September, 2013)   | Turkmenistan subcomponent 1.1 | The course was designed for a group of instructors who would deliver upcoming NFRS mass trainings.  |

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| 9  | MEP experts delivered a 20-hour course IFRS for SMEs for 16 local trainers (Dec, 2012)  | Turkmenistan subcomponent 1.1 | Participants will disseminate knowledge among private sector accountants. It will contribute to the country's smoother transition to the NFRS that are IFRS-based   |
| 10 | MEP organized and supported 70-hour course training in Financial Accountin-1 (FA-1) and IFRS 6 for 20 accountants and financial experts from state-owned oil and gas companies (Aug-Sep, 2013)  | Turkmenistan subcomponent 1.1 | The participants will be able to work with financial statements prepared by international companies and will be better prepared for transitioning to the NFRS   |
| 11 | During the 3 <sup>rd</sup> stage of the Start Your Business (SYB) program implementation MEP supported the delivery of 4 workshops to 48 people as well as the final train-the-trainer program for 4 Turkmenistan business trainers.                | Turkmenistan subcomponent 2.2 | As a result of the SYB program implementation national business trainers who underwent the SYB ToT courses received ILO certification to replicate the SYB program on their own, thus creating new jobs.  |
| 12 | MEP SME finance and banking advisor provided technical assistance to staff of the "Rysgal" Bank in developing a SME client management strategy and strengthening the SME credit risk management function. (Nov 2012)                                | Turkmenistan subcomponent 2.2 | Technical assistance included a training program aimed at improving and expanding financial services and products available for small and medium enterprises (SME). As a result of the training, private bankers are able to build effective SME banking and lending process at the "Rysgal" bank.  |
| 13 | In partnership with the Turkmen Ministry of Foreign Affairs, MEP conducted a 6-day seminar on "International Commercial Arbitration and Alternative (Amicable) Disputes Resolution" for 36 experts from 18 Turkmen Government agencies (Nov, 2012). | Turkmenistan subcomponent 2.2 | Government officials underwent the training and learned basics of ADR and benefits from the adoption of the New York Convention on the enforcement of arbitration awards.   |
| 14 | MEP expert delivered a presentation on "Building Competitiveness in Turkmenistan" for management and specialists and the Union of Industrialists and Entrepreneurs of Turkmenistan (Jan 2013)   | Turkmenistan subcomponent 2.2 | A two-hour presentation targeted a total of 15 specialists. The purpose of the presentation was to increase the competitiveness level of the country's economy or its specific sectors (i.e. private sector) within the global economy, on global competitiveness indices and on the significance of the development of the country's or its private sector's competitiveness strategy. |
| 15 | MEP SME Expert delivered a 9-hour workshop "Planning for Rysgal Bank future development" for 12 bankers (Feb, 2013).  | Turkmenistan subcomponent 2.2 | The seminar focused on SME: (a) client and credit management, (b) business planning, (c) organizational change and change management, and (d) evolution in response to changing circumstances. As a result, the bankers were able to apply new skills at work thus raising the client's satisfaction and bank's reputation on the market.   |

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| 16 | MEP organized and delivered the 2 <sup>nd</sup> stage of the Seminar on "International Commercial Arbitration and ADR" (4-day event) to ministries and agencies (July 2013)   | Turkmenistan subcomponent 2.2 | The four-day seminar aimed at providing 32 representatives from various ministries and state-owned enterprises, and academia, with a comprehensive update on arbitration, mediation, and international contracting practices. Government officials learned the fundamentals of handling international commercial disputes and studied methods for drafting and negotiating dispute resolution clauses.  |
| 17 | MEP organized and delivered a two-day international conference "Turkmenistan and WTO Accession: Substantive Matters and the Negotiation Process" (Mar 2013).  | Turkmenistan subcomponent 3.1 | The conference provided information about preparation for WTO accession, from negotiations to the completion of the process. The conference featured speakers and experts from various international organizations, including the WTO, and was attended by 56 senior and mid-level officials from 30 agencies of the Government of Turkmenistan. The conferences familiarized participants with the benefits of joining the organization as well as explained its purpose, history, fundamental principles, and the key areas and functions of members.   |
| 18 | At the request of the Government of Turkmenistan, MEP organized and delivered a 22-hour seminar on "Initial Steps to WTO Accession" in the Avaza National Tourist Zone. The seminar was delivered by MEP Trade advisors, Mr. Bordalba and Wright. (Sep 2013). | Turkmenistan subcomponent 3.1 | The seminar was attended by 22 representatives from 20 Turkmenistan government entities. This follow-on seminar provided advanced information and practical next steps to WTO accession. It focused on initial steps to WTO accession and covered such topics as benefits and main stages of WTO accession; other countries' experience; agreements on goods and services market access; and other agreements on barriers to trade, intellectual property rights, agriculture subsidies and other relevant topics. If Turkmenistan makes a decision to accede WRO, it will gain benefits from membership in the Organization and will build up its international comparative advantage in strategic sectors which will help diversify and grow the country's economy. |
| 19 | MEP Experts prepared a WTO concept paper for Turkmenistan.  | Turkmenistan subcomponent 3.1 | The concept paper provides an overview of what it takes to accede WTO and anticipated benefits for Turkmenistan's economy and positive impact on attraction of foreign investment in non-hydrocarbon sectors into the country.  |
| 20 | MEP Experts developed a WTO roadmap for Turkmenistan.   | Turkmenistan subcomponent 3.1 | The roadmap focused on practical steps for Turkmenistan to follow in order to make a transition to WTO more streamlined and seamless.   |